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SUBJECT: INDIA DOUBLES ITS ANTE IN AFRICA

11. (SBU) SUMMARY: Amid positive press reporting and official press statements, Indian and African leaders concluded the two-day New Delhi based India-Africa Summit by unanimously accepting drafts of the Delhi Declaration and the India-Africa Framework for Cooperation. Nations agreed in principle to double India-Africa trade over the next five years, while India announced several unilateral incentive-laden economic offers to African nations. These incentives are efforts to strengthen Indo-African relations, while counter-balancing China's strategic gains in Africa. It is now incumbent on the nations to transform the agreements into substantive progress. END SUMMARY.

TWO NEW PROPOSALS

12. (SBU) Heads of State from India, fourteen Africa nations, and African Regional Economic Communities (RECs) (REFTEL) agreed upon two draft documents, The Delhi Declaration and the India-Africa Framework for Cooperation. These proposals along with the Summit framework were first proposed by India to the African Union (AU) in December 2006. According to Indian Prime Minister (PM) Manmohan Singh, these agreements "...will provide the blueprint for India-Africa dialogue and engagement in the 21st century, strengthening a long and special relationship which is based on equality and mutual respect." Information on the summit and copies of the proposals are provided by the Indian Ministry of External Affairs website at (<http://meaindia.nic.in/indiaafricasummit/mystart.htm>).

13. (SBU) The Delhi Declaration and Framework for Cooperation aim to enhance the "true partnership" between India and Africa in order to achieve Millennium Development Goals. A political document, the Delhi Declaration covers issues of bilateral, regional, and international interest to India and Africa, including their common positions on UN reforms, climate change, international organizations (IMF, WB, WTO), and anti-terrorism. In multiple speeches, leaders trumpeted the needs of 'developing' nations as related to climate change and their representation (or lack of) in the governing bodies of international organizations. Additionally, leaders pledged to work together in supporting each others' positions on UN reform and permanent seats on the UN Security Council, stressing that modern day multilateral organizations need representation that reflects global contemporary realities.

14. (SBU) The Framework for Cooperation includes areas of cooperation in education, science and technology, agricultural productivity, food security, industrial growth, infrastructure, and health sector

development. Tanzanian President Jakaya Mrisho Kikwete (also current president of the AU) emphasized the need to address African food security, with India promising to help Africa achieve an African 'Green Revolution' with transfers of Indian technology and knowledge in food production, storage, transportation, and water management. It was also agreed that a joint plan of action for implementing the Framework will be drafted, and that an India-Africa summit will be held every three years with the next Summit in Africa in 2011.

INDIA SWEETENS THE DEAL

15. (SBU) Beyond the two agreements, India made more headline offers, announcing several unilateral, incentive laden economic proposals designed to double Indian-African trade over the next five years from its current level of USD 30 billion in 2007. The largest incentive announced was the Duty Free Tariff Preference Scheme for Least Developed Countries (LDCs). The 'Scheme' provides preferential market access for exports from all 50 LDCs (as determined by the United Nations), 34 of which are in Africa. It will cover 94 percent of India's total tariff lines and 92.5 percent of global exports of all LDCs. Products of immediate interest to Africa, and not coincidentally to India, include cotton, aluminum ore, copper ore, food products, and non-industrial diamonds. Oil and natural gas are absent from official statements, but are detailed in press reporting from the Times of India, The Hindu, Hindustan Times, and Financial Times.

16. (SBU) In addition, India pledged to increase its stake in Africa on several other fronts. It will double existing line of credit offers to Africa from USD 2.5 billion to USD 5.4 billion over the next five years; increase scholarships to Indian universities for African students from 1200 to 1600 per year under Indian Technical and Economic Cooperation (ITEC), and provide additional grants

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totaling USD 500 million over the next five years under the Indian Aid to Africa program for human skills development. Specific projects in building capacity and capability include development of African railway, IT, telecom, and power generation sectors.

INDIA IS NOT IN A RACE WITH CHINA

17. (SBU) In press statements throughout the summit, Indian officials continued to differentiate and distance India's relations with Africa from those of China. MEA Minister of State for External Relations Anand Sharma explained India's approach towards Africa as a partnership based on equality and mutual respect spanning 60 years. He detailed Indian-African ties thru the Indian Technical And Economic Cooperation (ITEC) program (REFTEL) and underlined that 80% of the workers at Indian operations in Africa are African, a soft-handed swipe at Chinese labor practices that import Chinese workers for Chinese projects in Africa. In addition, Sharma referenced successful programs such as the Indian funded Pan-African E-Network Project with its own dedicated satellite. The network enables Africa to bridge the digital divide and links African institutions to Indian counterparts, including universities, specialty hospitals, and research institutions. Sharma emphasized that India and Africa are not just engaged in an exchange of resources, they are engaged in an exchange of ideas and knowledge. Again swiping at China, he reiterated that the relationship was not based on resource extraction. PM Singh's closing remarks, echoed the sentiment that, "India is not in any race or competition with China or any other country. We wish to be partners in Africa's resurgence."

NOW HERDING THE CATS

18. (SBU) COMMENT: At first blush, this summit seemed to play against U.S. interests. Consistent with India's recent foreign policy of keeping one foot squarely in the camp of its old G77 friends while vigorously trying to get its foot in the G8 door, the Delhi Declaration and Framework for Cooperation contain a lot of what appears to be new manifestations of Non-Aligned Movement

principles cloaked in economic jargon. Also, the developing nations vs. developed nations divide is delineated on issues such as climate change, WTO Doha Round negotiations, and a commitment to south-south dialogue. Furthermore, in the days leading up to the summit, contacts told us that India does not immediately favor close coordination with the U.S. on Africa, as it sees the U.S. carrying colonial and imperialist baggage. However many of the goals set at this summit coincide with U.S. goals for Africa, such as the promotion of foreign direct investment, development of small and medium enterprises, Africa's regional integration, training for peacekeeping operations, cooperation in drug and human trafficking, and strengthening cooperation for the implementation of Millennium Development Goals. On these issues, India hopes to make an immediate impact, and, should it be willing to forego its go-alone strategy to pursue actual results, provides the U.S. with an opportunity to leverage our relationship.

¶9. (SBU) COMMENT (continued): Post believes now is the time for more thorough dialogue with India on Africa. Post supports DAS Feigenbaum's proposal to engage in cross-bureau dialogue with India, both in Delhi and Washington. Another opportunity would be through AFRICOM, particularly in the area of peacekeeping training, where India is a world leader and has just opened up to cooperation with the U.S. on the Global Peacekeeping Operations Initiative (GPOI). As India grows into an assistance donor, something along the lines of the Strategic Assistance Dialogue we have with Japan could also be beneficial. We must recognize that India does not want us side-by-side in Africa, but through enhanced dialogue, Post believes India will come to realize it - along with Africa - stands to benefit from better coordination with the U.S.

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